



State of Arizona

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Governor Brewer Applauds Federal Approval of Innovative State Efforts to Assist Hospitals and Tribal Facilities, Cover Children

State Will Leverage Federal Dollars to fund Uncompensated Care, Provide Coverage to 21,700 Arizona Children

PHOENIX – Governor Jan Brewer today received official notice from the Centers for Medicare and Medicaid Services (CMS) that the federal agency has approved a series of State proposals to improve health services while assisting hospitals with their rising costs in caring for the uninsured.

Under the first initiative – which Governor Brewer unveiled late last year – Phoenix Children's Hospital, Maricopa Integrated Health System and the University of Arizona Health Network will put forward local partner funding in order to leverage federal dollars. These federal funds will:

- Help offset rising hospital costs associated with caring for the uninsured;
- Fund a two-year, time-limited statewide enrollment of 21,700 Arizona children in a KidsCare-style program that will provide quality, affordable coverage to children of the working poor.

No state funding is used as part of the plan.

"This is the kind of innovative collaboration that can help us address our most urgent health needs without blowing a hole in the state budget," said Governor Brewer. "I applaud Phoenix Children's Hospital, Maricopa Integrated Health System and the University of Arizona Health Network for their ingenuity, and thank CMS for its collaboration in giving this initiative the green light. It truly is the people of Arizona who will benefit most."

The plan was made possible by SB 1357, which Governor Brewer signed into law in 2011. This measure enabled AHCCCS to use approximately \$110 million in local government funds – provided by the Maricopa Special Health Care District, the University of Arizona and Pima County, in this instance – in order to leverage more than \$220 million from the federal government. This funding will help defray hospital costs in providing care to individuals no longer covered by Medicaid.

In a separate but related action, the Governor on Friday announced that the State of Arizona will utilize \$20 million in revenues provided to the State according to the Tribal Gaming Compact in order to draw down \$13 million in federal assistance. This \$33 million pool will be directed to assisting rural hospitals and hospitals with emergency departments and trauma centers with their costs in caring for uninsured individuals.

Lastly, CMS has approved a waiver for the State of Arizona that will provide federal assistance to help offset the costs borne by Indian Health Services and tribally-operated hospitals in providing care to the uninsured. This additional aid will be available through Dec. 31, 2013, and will play an important role in maintaining the viability of health institutions that serve Arizona's Native American population.

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